

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Wednesday, April 23, 2014

Action on Minutes	43
Report of Committee on Security	43
Report of Committee on Finance	43
Report of Committee on Operations	43
Report of World Trade Center Redevelopment Subcommittee	44
Report of Committee on Capital Planning, Execution and Asset Management	44
Report of Special Oversight Committee of the Board of Commissioners of The Port Authority of New York and New Jersey	44
Report of Special Meeting of Committee on Operations	44
Newark Liberty International Airport – Electrical Distribution Infrastructure Renewal – Project Authorization	45
LaGuardia Airport – Flood Mitigation and Storm Resilience Program – Planning Authorization	47
World Trade Center Flood Resilience Program – Construction of a Bollard Protection System Prototype – Project Authorization	49
World Trade Center Site – Authorization of Additional Construction Contract Actions and Expenditures to Support Ongoing Post-Hurricane Sandy Recovery Work and Related Costs	51
World Trade Center Site – Authorization of Additional Contract Actions for Architectural and Engineering Design and Other Consultant Services and Expenditures to Support Ongoing Post-Hurricane Sandy Recovery Work and Related Costs	53
World Trade Center Vehicular Security Center and Tour Bus Parking Facility – Authorization to Amend the Extra Work Allowances of Certain Existing Construction Trade Contracts	55
LaGuardia Airport – Sheltair Aviation LGA, LLC – Fixed-Base Operator Agreement – New Agreement AGB-023	57

Hudson-Raritan Estuary Resources Program II – Funding Acquisitions of Real Property in the Port District Region of the Hudson-Raritan Estuary in Support of Port Redevelopment, Economic Development and Other Port Authority Capital Programs – Program Authorization	58
Hudson-Raritan Estuary Resources Program II – Facility Certification	61
World Trade Center Site – Authorization for Vehicular Security Center Operations – Award of Contract	64
Minimum Wage Policy and Guidelines for Non-Trade Labor Service Contracts – All Facilities	66
Memorial Tribute to the Honorable Basil A. Paterson	68

MINUTES of the Meeting of The Port Authority of New York and New Jersey held Wednesday, April 23, 2014 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. Richard H. Bagger
 Hon. Raymond M. Pocino
 Hon. William P. Schubert
 Hon. David S. Steiner

NEW YORK

Hon. Scott H. Rechler, Vice-Chairman
 Hon. Kenneth J. Lipper
 Hon. Jeffrey H. Lynford
 Hon. Jeffrey A. Moerdler
 Hon. Rossana Rosado

Patrick J. Foye, Executive Director
 Deborah L. Gramiccioni, Deputy Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Thomas L. Bosco, Director, Aviation
 Ana M. Carvajalino, Manager, Financial Forecasting, Management and Budget
 Steven J. Coleman, Acting Director, Media Relations
 Nicole Crifo, Chief of Staff to the Deputy Executive Director
 Philippe Danielides, Senior Advisor to the Chairman
 Stephanie E. Dawson, Acting Chief Operating Officer
 John C. Denise, Audio Visual Supervisor, Marketing
 Daniel D. Duffy, Principal Office Manager, Office of the Secretary
 Joseph P. Dunne, Chief Security Officer
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police
 Michael B. Francois, Chief, Real Estate and Development
 Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
 Robert Galvin, Chief Technology Officer
 David P. Garten, Senior Advisor to the Vice Chairman
 Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs
 Linda C. Handel, Deputy Secretary
 Anthony Hayes, Manager, Media Planning, Media Relations
 Howard G. Kadin, Esq., Law
 Stephen Kingsberry, Director, Rail Transit
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey
 Christopher M. Lee, Senior External Relations Client Manager, Government and Community Affairs
 Dennis Lombardi, Deputy Director, Port Commerce
 John H. Ma, Chief of Staff to the Executive Director
 Stephen Marinko, Esq., Law
 Ronald Marsico, Assistant Director, Media Relations
 Michael G. Massiah, Director, Management and Budget
 Daniel G. McCarron, Comptroller
 Elizabeth M. McCarthy, Chief Financial Officer
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 David J. McGrath, Acting Director, Marketing
 Jared Pilosio, Staff External Relations Representative, Government and Community Affairs
 Brian W. Simon, Director, Government and Community Affairs, New York

Timothy G. Stickelman, Assistant General Counsel
 I. Midori Valdivia, Senior Advisor to the Executive Director
 Christopher M. Valens, Senior Public Information Officer, Media Relations
 Lillian D. Valenti, Director, Procurement
 Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary
 Cheryl A. Yetka, Treasurer
 Christopher Zeppie, Director, Office of Environmental and Energy Programs
 Peter J. Zipf, Chief Engineer

Guest:

Kerstin Sundstrom, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Gary Alterman, Silverstein Properties, Inc.
 Christine Berthet, Chekped
 Murray Bodin, Member of the Public
 Cheryl Brandon, Member, Unite Here
 Luz Caraballo, Member, Unite Here
 Mike Carey, Aviation Safeguard, 32BJ
 Cherly Charles, Member, Unite Here
 Janna Chernetz, New Jersey Advocate, Tri-State Transportation Campaign
 Joseph Clift, Member of the Public
 Sheldon Cohen, CBRE
 Margaret Donovan, Twin Towers Alliance
 Mathew Falconer, Member, Unite Here
 Paul Fernandes, Building and Construction Trades Council
 Cesar Flores, Member, Unite Here
 Christy Guzzetta, New York Cycle Club
 James Heyliger, President Association of Minority Enterprises of New York
 Richard Hughes, Twin Towers Alliance
 Frank Hussy, World Trade Center Worker, Tishman Construction Corporation
 Jordan Isenstadt, Association for a Better New York
 Ellen Jaffe, New York Cycle Club
 Jessica Lappin, Alliance for Downtown New York
 Marc Matsil, The Trust for Public Land, 32BJ
 Mitchell Moss, Professor of Urban Policy and Planning, New York University
 Edward Sheffe, Chair, Financial District Committee, Community Board One
 Neile Weissman, New York Cycle Club

The public meeting was called to order by Vice-Chairman Rechler at 2:17 p.m. and ended at 4:47 p.m. The Board met in executive session prior to the public session. Commissioner Steiner was present for a portion of the public meeting.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of March 19, 2014. She reported that copies of these Minutes were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on March 20, 2014. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on April 3, 2014.

Whereupon, the Board unanimously approved the Minutes of the meeting of March 19, 2014.

Report of Committee on Security

The Committee on Security reported, for information, on matters discussed in executive session at its meeting on April 23, 2014, which included discussion of matters involving public safety or law enforcement, and matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in public and executive sessions at its meeting on April 23, 2014, which included an overview of procedures in place to ensure that the annual budget and capital plan are managed in a fiscally responsible manner, discussion of an item that would provide for the Board to certify the Hudson-Raritan Estuary Resources Program II as an additional facility of the Port Authority, and discussion of matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, and matters in which the release of information could impair a right to receive funds from the United States or other grantor, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in public session at its meeting on April 23, 2014, which included discussion of a proposed automotive manufacturers' incentive program for the Port of New York and New Jersey, and review of an agreement concerning the Lincoln Tunnel park-and-ride lot, and the report was received.

Report of World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in public and executive sessions at its meeting on April 23, 2014, which included discussion of certain contracts and agreements in connection with the continued redevelopment of the World Trade Center site, and the discussion of matters in which the release of information could impair a right to receive funds from the United States or other grantor, matters involving ongoing negotiations or reviews of contracts or proposals, and matters related to proposed, pending, or current litigation or judicial or administrative proceedings, and the report was received.

Report of Committee on Capital Planning, Execution and Asset Management

The Committee on Capital Planning, Execution and Asset Management reported, for information, on matters discussed in public and executive sessions at its meeting on April 23, 2014, which included discussion of a project to renew certain electrical infrastructure at Newark Liberty International Airport, discussion on planning for the final design of five projects that support flood mitigation and storm resilience at LaGuardia Airport, and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Special Oversight Committee of the Board of Commissioners of The Port Authority of New York and New Jersey

The Special Oversight Committee of the Board of Commissioners of The Port Authority of New York and New Jersey reported, for information, on matters discussed in public session at its meeting on April 21, 2014, which included a panel discussion with a group of outside experts to discuss what reform recommendations the Special Oversight Committee could make to the full Board that would allow the Port Authority to meet the long-term transportation, infrastructure, and economic needs of the New York and New Jersey region moving forward, which included discussions on Board governance structure, executive management structure, the agency's business model, including its finances, and preparing for the future, and the report was received.

Report of Special Meeting of Committee on Operations

In view of the fact that, as a result of prospective recusals, there would not be a sufficient number of Commissioners present for the Board to consider an item on the agenda at its meeting on April 23, 2014, consistent with the Port Authority's By-Laws, a special meeting of the Committee on Operations was held. At the meeting, the Committee acted for and on behalf of the Board on the item. A copy of the minutes of the special meeting of the Committee on Operations held on April 23, 2014 is included with these minutes.

NEWARK LIBERTY INTERNATIONAL AIRPORT – ELECTRICAL DISTRIBUTION INFRASTRUCTURE RENEWAL – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project for the renewal of electrical and adjacent underground utilities and supporting infrastructure at Newark Liberty International Airport (EWR), at an estimated total project cost of \$66 million; and (2) the Executive Director to: (a) award Contract EWR-154.197 for the construction of electrical and associated infrastructure work to support the project, at an estimated total construction cost of \$28.6 million, inclusive of net cost work and extra work; (b) enter into an agreement(s) with Public Service Electric & Gas Company (PSE&G) for partial reimbursement of PSE&G's design and construction costs associated with the project, in an amount not to exceed \$17 million; and (c) enter into such future agreements with PSE&G as may be deemed appropriate to reserve excess capacity of the new switching station to be constructed by PSE&G for EWR's exclusive use.

Pursuant to prior Board actions from September 2012 through November 2012, EWR currently is undergoing a comprehensive electrical infrastructure renewal program, to improve electrical reliability and ensure that adequate capacity exists for long-term growth, including the closure of the Central Terminal Area (CTA) 27-kilovolt (kV) loop and the installation of new electrical substations for Terminal B and the Central Heating and Refrigeration Plant, which are in various stages of development and implementation, at a cumulative estimated total cost of \$67.31 million. The currently proposed project would complement these other projects by integrating the proposed new PSE&G switching station into the electrical infrastructure network at EWR.

An existing PSE&G electrical breaker station located at EWR and built in 1969 provides the primary electrical service to the CTA at EWR. The distribution lines feeding the breaker station, as well as the connection to the CTA, through five 27kV lines, lack redundancy and cannot accommodate the long-term power requirements at EWR.

PSE&G has proposed to design and construct a new, higher-capacity switching station at EWR, to provide 345kV service, which would be available to meet future needs of EWR.

To connect EWR's existing electrical infrastructure to the proposed new PSE&G switching station, additional electrical ductbank runs would be required, and all existing electrical infrastructure would be rehabilitated to a state of good repair. Redundant connections to the switching station would be constructed, to provide for increased resiliency. Finally, adjacent and supporting infrastructure work, where required due to the construction of the ductbanks, or planned in the near term in the construction work area, would be performed simultaneously, in order to take advantage of construction efficiencies and cost savings.

The project would provide for electrical distribution components serving EWR, including, but not limited to: (1) duct-bank systems and wire connections between the new PSE&G substation and existing power circuits feeding the CTA and EWR's Fuel Farm; (2) reconstruction of the North Bridge and South Bridge, as well as improvements to the Basilone Road Bridge for utility support, and all necessary roadway pavement work; and (3) storm and sanitary sewer, water and communications work in the same construction zone as the electrical infrastructure work.

Included in the total project cost is a \$17 million payment to PSE&G, of which amount \$5 million is a required payment to PSE&G that is calculated based on PSE&G's investment for the new switching station and associated transmission lines, and the balance is for reimbursement of PSE&G's actual design and construction costs associated with additional security hardening and aesthetic elements requested by the Port Authority.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado and Schuber voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project for the renewal of electrical and adjacent underground utilities and supporting infrastructure at Newark Liberty International Airport (EWR), at an estimated total project cost of \$66 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) award Contract EWR-154.197 for the construction of electrical and associated infrastructure work to support the foregoing project, at an estimated total construction cost of \$28.6 million, inclusive of net cost work and extra work; (2) enter into an agreement(s) with Public Service Electric & Gas Company (PSE&G) for partial reimbursement of PSE&G's design and construction costs associated with the foregoing project, in an amount not to exceed \$17 million; and (3) enter into such future agreements with PSE&G as may be deemed appropriate to reserve excess capacity of the new switching station to be constructed by PSE&G for EWR's exclusive use; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

RESOLVED, that the form of all documents and agreements in connection with the foregoing project shall be subject to the approval of General Counsel or his authorized representative.

LAGUARDIA AIRPORT – FLOOD MITIGATION AND STORM RESILIENCE PROGRAM – PLANNING AUTHORIZATION

It was recommended that the Board authorize: (1) planning work for the development of five projects associated with a flood mitigation and storm resilience program at LaGuardia Airport (LGA), through final design, at a total estimated cost of \$5 million; and (2) the Executive Director to retain architectural and engineering design services from HNTB New York Engineering and Architecture, PC (HNTB), to perform final design for four of the five projects, at an estimated total amount of \$2.4 million.

During the week of October 28, 2012, Hurricane Sandy and its associated storm surge caused significant flooding and devastating damage throughout the New York-New Jersey region, including damage to Port Authority and Port Authority Trans-Hudson Corporation (PATH) facilities. Since October 2012, efforts have advanced to restore the Port Authority and PATH facilities to full functionality, repair infrastructure damage, mitigate the potential of future storm damage and make facilities more resilient.

At its meeting of December 4, 2013, the Board authorized preliminary program funding to define projects to be developed, executed and delivered under a multi-year Storm Mitigation and Resilience Program (Program) for all Port Authority and PATH facilities, excluding those at the World Trade Center site, and authorized the Executive Director to enter into agreements for the retention of architectural and engineering design services and integrity monitoring services in support of the Program, at an estimated total cost of \$108 million. Services were to be limited to Stage I work (i.e., preliminary design and development of a construction estimate and schedule) and an amount of \$1.5 million per project. Following planning analysis, proposed projects then would be prioritized and coordinated, as part of the Program, which would include final design services to support the implementation of individual projects pursuant to the Program, and would be subject to further Board authorization.

LGA was severely affected by Hurricane Sandy, as the storm inundated LGA with seawater from Flushing and Bowery Bays, which caused the airport to be closed to aircraft, resulting in a significant financial loss for the local regional economy, as well as widespread transportation delays. It is vital that infrastructure at LGA be enhanced to improve its ability to withstand and recover from these types of extreme weather-related events in the future.

LGA is surrounded by a berm wall system to keep Flushing and Bowery Bays from flooding the airport during times of tidal surge. LGA has an extensive storm water drainage system, consisting of a series of catch basins, manholes and underground pipes, which primarily convey storm water to five pump stations. In addition, several smaller outfalls drain storm water by gravity to Flushing and Bowery Bays. However, during Hurricane Sandy, the berm system was overtopped, and water was captured within LGA's berm system, inundating the pump houses and rendering them inoperable.

During the storm event, electrical power also was impacted, as systems were shut down or damaged by floodwaters, which further exacerbated flooding. Subsequently, the time involved for bringing back on-line the airport's electrical substations and lighting vaults for the restoration of electrical power, and a lack of proper emergency generators, hampered the recovery efforts.

Therefore, to achieve better resilience in future similar storm events, it was recommended that under the proposed authorization HNTB would provide architectural and engineering services through final design for four of the five projects, including projects to provide flood protection at the West Field Lighting Vault and West End Substation locations, and projects to undertake storm resilience enhancements to the airport power distribution grid, including rehabilitating the Supervisory Controls and Data Acquisition system and increasing emergency generator capacity by installing new generators at various locations. Planning work for the fifth project, to expand capacity of the storm drainage system, would be undertaken by Port Authority staff.

HNTB was selected from a previously awarded agreement, authorized by the Board at its December 4, 2013 meeting and awarded pursuant to a publicly advertised Request for Proposals process, in compliance with federal procurement guidelines to ensure maximum federal cost recovery. The funds for the currently proposed agreement are within the \$108 million amount authorized by the Board at that time for architectural and engineering design services to support storm mitigation and resilience projects under the Program.

Federal eligibility for reimbursements and grants would necessitate that contracts comply with the Brooks Act. Federal and state reimbursements and Federal Transit Administration and Federal Emergency Management Agency grants are expected to result in recovery of up to 75 percent of these costs. The balance of the costs would be fully recoverable through the LGA flight fee.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado and Schuber voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that planning work for the development of five projects associated with a flood mitigation and storm resilience program at LaGuardia Airport, through final design, at a total estimated cost of \$5 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to retain architectural and engineering design services from HNTB New York Engineering and Architecture, PC, to perform final design for four of the five projects, at an estimated total amount of \$2.4 million; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing planning work, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

RESOLVED, that the form of all contracts and agreements in connection with the foregoing planning work shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER FLOOD RESILIENCE PROGRAM – CONSTRUCTION OF A BOLLARD PROTECTION SYSTEM PROTOTYPE – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project for the design and construction of a bollard protection system (BPS) prototype for flood protection of One World Trade Center (1 WTC), at an estimated cost of \$25.1 million; and (2) the Executive Director to enter into: (a) a stand-alone, negotiated agreement, through construction manager Tishman Construction Corporation, with an existing World Trade Center (WTC) site construction contractor (the Contractor) for the fabrication and installation of a prototype BPS, along with securing the services of an off-site testing facility and related services of contractors necessary to effectuate the testing of the BPS, consistent with the terms outlined to the Board; and (b) a supplemental agreement with an existing WTC site consultant (the Consultant) to provide construction support services in connection with the BPS, consistent with the terms outlined to the Board.

As Hurricane Sandy and its associated storm surge demonstrated, business and transportation assets in low-lying areas of Lower Manhattan are at great risk for storm surge flooding. It is critical that work be performed to protect the completed WTC site from potential future catastrophic coastal flooding and storm surges. The BPS prototype would use existing infrastructure to support flood protection devices at 1 WTC, and is required to protect 1 WTC from catastrophic flooding, starting in the fall of 2014. The early deployment at the 1 WTC location is possible because the bollard line would be completed along three sides of the tower, including the corner of Vesey and West Streets, which is one of the lowest-lying areas of the WTC site.

At its meeting of October 16, 2013, the Board authorized contract actions for initial planning and design work to evaluate and develop long-term flood resilience projects at the WTC site, including the award of contracts and supplemental agreements for planning, engineering and technical services, in a total estimated amount of \$10 million.

In November 2013, a comprehensive WTC Water Intrusion Protection Plan was developed, which included a complete flood risk assessment and analysis that covered evaluations of site-wide and project-specific vulnerabilities, flood mitigation strategies and improvement alternatives. The plan recommended the development of a BPS, which would serve as the first ring of protection from coastal flooding at the site.

Under the proposed project, the Contractor would fabricate, install, and deploy the BPS at 1 WTC, including installing a section of the BPS adjacent to 1 WTC for demonstration purposes, as well as secure a facility for off-site testing of the BPS prototype. Because the Contractor is already on site and familiar with the area, it is prudent for the Contractor to perform this scope of work. A stand-alone, negotiated agreement with the Contractor would ensure completion of the prototype for the 2014 hurricane season. The project potentially is eligible to receive Federal Transportation Administration funding; the Port Authority also would request funding for this work from the Federal Emergency Management Agency. The scope of work under the proposed supplemental agreement with the Consultant would include construction support services to support the construction of the BPS prototype.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lipper, Lynford, Pocino, Rechler, Rosado and Schuber voting in favor; Commissioner Moerdler recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project for the design and construction of a bollard protection system (BPS) prototype for flood protection of One World Trade Center, at an estimated cost of \$25.1 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into: (1) a stand-alone, negotiated agreement, through construction manager Tishman Construction Corporation, with an existing World Trade Center (WTC) site construction contractor for the fabrication and installation of a prototype BPS, along with securing the services of an off-site testing facility and related services of contractors necessary to effectuate the testing of the BPS, consistent with the terms outlined to the Board; and (2) a supplemental agreement with an existing WTC site consultant to provide construction support services in connection with the BPS, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

RESOLVED, that the form of all contracts, agreements and related documents necessary to effectuate the foregoing project shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER SITE – AUTHORIZATION OF ADDITIONAL CONSTRUCTION CONTRACT ACTIONS AND EXPENDITURES TO SUPPORT ONGOING POST-HURRICANE SANDY RECOVERY WORK AND RELATED COSTS

It was recommended that the Board authorize: (1) the expenditure of an additional estimated amount of approximately \$18.8 million for certain construction contract actions and expenses expected to be required through May 31, 2014 to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center (WTC) site that were damaged or destroyed as a result of Hurricane Sandy and its associated storm surge, as well as to provide compensation for costs incurred by such construction contractors related to associated delays and acceleration of work to minimize schedule impact and maintain commitments to third-party stakeholders, resulting in a cumulative total authorization of approximately \$437 million for construction-related activities associated with the response, recovery, restoration and mitigation efforts at the WTC site; and (2) the Executive Director to take all actions necessary to effectuate the foregoing, consistent with the terms outlined to the Board.

During the week of October 28, 2012, Hurricane Sandy and its associated storm surge caused significant flooding and devastating damage in Lower Manhattan and throughout the New York-New Jersey region. The storm resulted in severe flooding throughout the WTC site, particularly affecting the WTC Transportation Hub, Vehicular Security Center, WTC Memorial Museum, and One WTC, among other WTC projects in construction. Although the de-watering of the WTC site was substantially completed in early November, and pre-storm levels of construction activity resumed throughout the WTC site by the end of November 2012, Hurricane Sandy recovery activities are ongoing, to assess and evaluate damaged areas and equipment for future repair or replacement, including efforts to mitigate the impacts of future storms. Through separate actions at its meetings from February 6, 2013 through March 19, 2014, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, ratified and authorized certain actions for construction work and consultant services required for Hurricane Sandy response, recovery and restoration work at the WTC site and mitigation efforts through April 30, 2014, in a total estimated amount of \$505.3 million.

Comprehensive damage assessments and project impact evaluations related to Hurricane Sandy were conducted, and latent damage assessments are ongoing. Staff has ordered various contractors to repair or replace damaged and destroyed equipment and infrastructure, including the purchase or repurchase of major long-lead items, such as: electrical switchgear and substation equipment; vertical circulation equipment; and mechanical fans, air handling units and controls. Together with the previously authorized amount, the proposed increases in contract amounts are needed to compensate contractors for ongoing repairs to address storm-related damages, as well as extended overhead and impact costs. Authorization of approximately \$1.1 million in increases to compensate consultants for their costs to address storm-related damages at the WTC site is being sought through a companion item being advanced at this meeting of the Board. The cumulative authorized total for construction and consultant services required for Hurricane Sandy response, recovery and restoration work at the WTC site and mitigation efforts, including past authorizations and both companion items being advanced at this meeting of the Board, would be approximately \$525.2 million.

A portion of the funding is necessary to compensate contractors for impact delays and acceleration costs that were a direct result of Hurricane Sandy and the extended recovery and

restoration period, based on certain schedule adjustments that were necessary as a direct result of the extensive recovery and restoration efforts.

Consistent with previous discussions with the Board, as additional information is made available through ongoing latent damage inspections, further project evaluations and implementation decisions regarding Hurricane Sandy's impact and the potential for including additional mitigation efforts to deliver a more resilient site are being made. It is anticipated that there will be further requests for increases to construction contract amounts for actions that will be attributable to Hurricane Sandy recovery, including further equipment replacement and installation costs, construction general conditions costs and potential mitigation costs, on an ongoing basis.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lipper, Lynford, Pocino, Rechler, Rosado and Schuber voting in favor; Commissioner Moerdler recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the expenditure of an additional estimated amount of approximately \$18.8 million for certain additional construction contract actions and expenses expected to be required through May 31, 2014, to effectuate the repair and replacement of facilities and equipment at the World Trade Center site that were damaged or destroyed by Hurricane Sandy and its associated storm surge, as well as to provide compensation for costs incurred by construction contractors related to associated delays and the acceleration of work to minimize schedule impact and maintain commitments to third-party stakeholders, be and it hereby is authorized, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take all actions necessary to facilitate the foregoing, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER SITE – AUTHORIZATION OF ADDITIONAL CONTRACT ACTIONS FOR ARCHITECTURAL AND ENGINEERING DESIGN AND OTHER CONSULTANT SERVICES AND EXPENDITURES TO SUPPORT ONGOING POST-HURRICANE SANDY RECOVERY WORK AND RELATED COSTS

It was recommended that the Board authorize: (1) the expenditure of an additional estimated amount of approximately \$1.1 million for certain contract actions for architectural and engineering design and construction support services and other consultant services and expenses expected to be required through May 31, 2014 to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center (WTC) site that were damaged or destroyed as a result of Hurricane Sandy and its associated storm surge, as well as to provide compensation for costs incurred by such consultant contractors related to associated delays and acceleration of work to minimize schedule impact and maintain commitments to third-party stakeholders, resulting in a cumulative total authorization of approximately \$88.2 million for consultant-related activities associated with the response, recovery, restoration and mitigation efforts at the WTC site; and (2) the Executive Director to take all actions necessary to effectuate the foregoing, consistent with the terms outlined to the Board.

During the week of October 28, 2012, Hurricane Sandy and its associated storm surge caused significant flooding and devastating damage in Lower Manhattan and throughout the New York-New Jersey region. The storm resulted in severe flooding throughout the WTC site, particularly affecting the WTC Transportation Hub, Vehicular Security Center, WTC Memorial Museum, and One WTC, among other WTC projects in construction. Although the de-watering of the WTC site was substantially completed in early November, and pre-storm levels of construction activity resumed throughout the WTC site by the end of November 2012, Hurricane Sandy recovery activities are ongoing, to assess and evaluate damaged areas and equipment for future repair or replacement, including efforts to mitigate the impacts of future storms. Through separate actions at its meetings from February 6, 2013 through March 19, 2014, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, ratified and authorized certain actions for consultant services and construction work required for Hurricane Sandy response, recovery and restoration work at the WTC site and mitigation efforts through April 30, 2014, in a total estimated amount of \$505.3 million.

Comprehensive damage assessments and project impact evaluations related to Hurricane Sandy were conducted, and latent damage assessments are ongoing. Staff has ordered various contractors to repair or replace damaged and destroyed equipment and infrastructure, including the purchase or repurchase of major long-lead items, such as: electrical switchgear and substation equipment; vertical circulation equipment; and mechanical fans, air handling units and controls. Together with the previously authorized amount, the proposed increases in contract amounts are needed to compensate for construction management, program management, design support, damage evaluations and assessments, recommissioning services and integrity monitoring services, including compensation for additional costs incurred to manage and support the repair/replacement and re-installation work. Authorization of \$18.8 million in increases to compensate construction contractors for ongoing repairs to address storm-related damages at the WTC site, as well as for extended general overhead and impact costs, is being sought through a companion item being advanced at this meeting of the Board. The cumulative authorized total for construction and consultant services required for Hurricane Sandy response, recovery and restoration work at the WTC site and mitigation efforts, including past authorizations and both companion items being advanced at this meeting of the Board, would be approximately \$525.2 million.

Consistent with previous discussions with the Board, as additional information is made available through ongoing latent damage inspections, further project evaluations and implementation decisions regarding Hurricane Sandy's impact and the potential for including additional mitigation efforts to deliver a more resilient site are being made. It is anticipated that there will be further requests for increases to consultant contract amounts for actions that will be attributable to Hurricane Sandy recovery, including oversight of further equipment replacement and installation costs and potential mitigation costs, on an ongoing basis.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lipper, Lynford, Pocino, Rechler, Rosado and Schuber voting in favor; Commissioner Moerdler recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the expenditure of an additional estimated amount of approximately \$1.1 million for certain additional contract actions for architectural and engineering design and construction support services and other consultant services and expenses expected to be required through May 31, 2014, to effectuate the repair and replacement of facilities and equipment at the World Trade Center site that were damaged or destroyed by Hurricane Sandy and its associated storm surge, as well as to provide compensation for costs incurred by consultant services contractors related to associated delays and the acceleration of work to minimize schedule impact and maintain commitments to third-party stakeholders, be and it hereby is authorized, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take all actions necessary to facilitate the foregoing, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

WORLD TRADE CENTER VEHICULAR SECURITY CENTER AND TOUR BUS PARKING FACILITY – AUTHORIZATION TO AMEND THE EXTRA WORK ALLOWANCES OF CERTAIN EXISTING CONSTRUCTION TRADE CONTRACTS

It was recommended that the Board authorize the Executive Director to amend the extra work allowances of certain existing World Trade Center (WTC) Vehicular Security Center (VSC) trade contracts, consistent with the terms outlined to the Board, in order to ensure the opening of the facility in 2014 for adjacent stakeholder use. There would be no net budget impact from this action, because offsets have been identified through reductions to certain existing WTC VSC trade contracts previously authorized by the Board.

The WTC VSC Project is critical for the redevelopment of the WTC site, because it will improve vehicular circulation and access within Lower Manhattan. Once completed, the WTC VSC will accommodate off-street screening of vehicles that enter the sub-grade roadway and loading docks, as well as a new below-grade support for site-wide operations.

At meetings from July 2008 through June 2012, the Board has authorized the Executive Director to enter into various construction trade contracts, through construction manager Tishman Construction Corporation, to complete the WTC VSC. In addition, from June 2007 through October 2011, the Executive Director authorized several construction trade contracts in support of the WTC VSC Project. The design of these contracts was revised subsequently, to mitigate the substantial delays associated with the deconstruction and removal of the Deutsche Bank building. Additionally, these contracts were awarded in advance of completed final value engineered designs in order to realize schedule savings.

The proposed scope of work to be undertaken pursuant to the amended construction trade contracts includes the following: masonry construction of new rooms to house electrical distribution equipment; construction of blast doors; installation of additional conduit and cable systems extensions; installation of additional temporary generators for operational staging; modifications for emergency radio equipment made necessary due to revised emergency responder requirements; and revisions to the heating and air conditioning and building control systems.

As construction of the WTC VSC advances at a rigorous pace, staff continues to seek effective ways to ensure the facility's opening in 2014 for adjacent stakeholder use, including the fit-out of construction and retail space later this year. The proposed scope of work would help maintain the current WTC VSC construction schedule and commitments to provide vehicular access to WTC tenants. All work would be negotiated through the change-order process with the existing WTC VSC contractors.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lipper, Lynford, Pocino, Rechler, Rosado and Schuber voting in favor; Commissioner Moerdler recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and hereby is authorized, for and on behalf of the Port Authority, to amend the extra work allowances of certain existing trade contracts for the World Trade Center Vehicular Security Center Project, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

RESOLVED, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

LAGUARDIA AIRPORT – SHELTAIR AVIATION LGA, LLC – FIXED-BASE OPERATOR AGREEMENT – NEW AGREEMENT AGB-023

It was recommended that the Board authorize the Executive Director to enter into an agreement with Sheltair Aviation LGA, LLC (Sheltair) for the management and operation of a fixed-base operation (FBO) serving general aviation activity at LaGuardia Airport (LGA).

Under the terms of the proposed agreement, Sheltair, the existing fixed-base operator at LGA, would continue to lease approximately 7,260 square feet of space in Terminal A and approximately 1,040 square feet of paved area to support its operations, for a five-year term with one, five-year renewal option, to be exercised at the discretion of the Port Authority. The term of the agreement would commence on August 1, 2014. The proposed agreement would replace the existing FBO agreement (AGA-658) with Sheltair at LGA, which is due to expire on July 31, 2014.

Sheltair was the highest responsive bidder pursuant to a publicly advertised competitive bid process soliciting bids to provide FBO services at LGA. Under the proposed agreement, Sheltair would be responsible for the collection of flight fees, the storage, parking, repair and maintenance of general aviation aircraft, the collection of related fees, and the sale of fuel and other ground support services to general aviation aircraft.

Sheltair would pay fixed ground and building rentals, as well as variable rent based on a percentage of gross receipts (including fuel and ground support service sales). It is expected that the Port Authority would receive approximately \$1.46 million in fixed aggregate rent over the lease term.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado and Schuber voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with Sheltair Aviation LGA, LLC for the management and operation of the fixed-base operation serving general aviation activity at LaGuardia Airport, substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other contracts and agreements necessary or appropriate in connection with the foregoing; and it is further

RESOLVED, that the form of any agreements or other documents necessary in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

HUDSON-RARITAN ESTUARY RESOURCES PROGRAM II – FUNDING ACQUISITIONS OF REAL PROPERTY IN THE PORT DISTRICT REGION OF THE HUDSON-RARITAN ESTUARY IN SUPPORT OF PORT REDEVELOPMENT, ECONOMIC DEVELOPMENT AND OTHER PORT AUTHORITY CAPITAL PROGRAMS – PROGRAM AUTHORIZATION

It was recommended that the Board authorize: (1) the Hudson Raritan Estuary Resources Program II (HRERP II), to continue to support port redevelopment, economic development and other Port Authority capital programs through the provision of funds by the Port Authority for the acquisition and/or improvement of real property suitable for conservation, ecological enhancement, public access or environmental mitigation, within the Port District boundaries of the Hudson-Raritan Estuary, at a total estimated cost of \$60 million (\$30 million for sites located in New York State and \$30 million for sites located in New Jersey), including the provision of funds for property acquisitions, payments to consultants and contractors, allowances for extra work (if necessary) and net cost work, engineering, administrative and financial expenses, and a contingency (if necessary); and (2) the Executive Director to enter into agreements with appropriate entities to provide funds for the acquisition and/or improvement of one or more sites in New York and New Jersey within the Port District boundaries of the Hudson-Raritan Estuary that are identified by Port Authority staff as suitable for conservation, ecological enhancement, public access or environmental mitigation, in support of port redevelopment, economic development and other Port Authority capital programs, in each case, with the final details of the acquisition and/or improvements to be presented to the Committee on Operations for approval prior to the provision of funds, and to incur all costs and expenses and execute all documents, including, without limitation, conveyances relating to the transfer of property interests to or from the Port Authority and agreements with private entities involving, among other matters, leases, creation of conservation and public access easements, appraisals, surveys, title searches and title insurance necessary or incidental to such acquisition, property improvements and transfers of property interests.

At its meeting of July 26, 2001, the Board authorized the existing Hudson-Raritan Estuary Resources Program (HRERP I), at a total amount of \$60 million (\$30 million for New Jersey and \$30 million for New York), which was certified by the Board as an additional facility of the Port Authority at its November 21, 2002 meeting. To date, under HRERP I, the Committee on Operations has approved property transactions and improvements through funding agreements and reimbursements covering approximately 152 acres in New York State, at a total amount of approximately \$29.6 million, and approximately 246 acres in New Jersey, at a total amount of approximately \$25.2 million. Those acquisitions have advanced the Port Authority's sustainability goal of protecting 50 acres of land per year from development. Protecting those properties also has provided public access areas to the community and has protected a variety of wildlife and vegetative species.

HRERP I was proposed to help alleviate community concerns over facility operational impacts and loss of public access and natural resource areas, as the Port Authority initiated its capital program. The Port Authority's economic development initiatives and capital program inevitably exert development pressure on undeveloped lands and natural resource areas, and it remains necessary to provide a continued means to secure the existence of these areas as open space, public access areas, and ecologically sensitive resources for future generations. HRERP II, therefore, seeks to continue the undertaking started by HRERP I, by continuing to fund property acquisitions and improvements for the same purposes. The administration of HRERP II would be consistent with the goals and administration of HRERP I and would be intended as a continuation of the HRERP

program.

A companion resolution is being advanced at this meeting of the Board to certify HRERP II as an additional facility of the Port Authority.

The Port Authority funds to be provided through the HRERP II would facilitate the acquisition and/or improvement of strategically important properties, as discussed above, and in the case of natural resource acquisitions, would secure their long-term preservation through conservation easements with not-for-profit organizations, natural resource agencies, and/or government entities that would be responsible for their stewardship and use. Eligibility criteria for funding would require that the selected program sites underpin the Port Authority's capital programs by providing:

- natural resource areas that help maintain the *status quo* in terms of mitigation ratios required for development;
- opportunities for environmental enhancement/ancillary economic redevelopment;
- buffer areas around existing facilities or newly expanded facilities that diminish the impact of operations on the surrounding communities; and
- public access to areas deemed critical for such access in coastal zone management plans and local waterfront revitalization plans.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Hudson Raritan Estuary Resources Program II, to continue to support port redevelopment, economic development and other Port Authority capital programs through the provision of funds by the Port Authority for the acquisition and/or improvement of real property suitable for conservation, ecological enhancement, public access or environmental mitigation, within the Port District boundaries of the Hudson-Raritan Estuary, at a total estimated cost of \$60 million (\$30 million for sites located in New York State and \$30 million for sites located in New Jersey), including the provision of funds for property acquisitions, payments to consultants and contractors, allowances for extra work (if necessary) and net cost work, engineering, administrative and financial expenses, and a contingency (if necessary), be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with appropriate entities to provide funds for the acquisition and/or improvement of one or more sites in New York State and New Jersey within the Port District boundaries of the Hudson-Raritan Estuary that are identified by Port Authority staff as suitable for conservation, ecological enhancement, public access or environmental mitigation, in support of port redevelopment, economic development and other Port Authority capital programs, in each case, with the final details of the acquisition and/or improvements to be presented to the Committee on Operations for approval prior to the provision of funds, and to incur all costs and expenses and execute all documents, including, without limitation, conveyances relating to the transfer of property interests to or from the Port Authority and agreements with appropriate entities involving, among other matters, leases, creation

of conservation and public access easements, payments in lieu of taxes, environmental studies and investigations, appraisals, surveys, title searches and title insurance necessary or incidental to such acquisition, property improvements and transfers of property interests; and it is further

RESOLVED, that the form of all contracts, agreements and documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

HUDSON-RARITAN ESTUARY RESOURCES PROGRAM II – FACILITY CERTIFICATION

It was recommended that the Board: (1) certify the Hudson Raritan Estuary Resources Program II (HRERP II or Facility) as an additional facility of the Port Authority; and (2) authorize the Executive Director, Deputy Executive Director or Chief Financial Officer of the Port Authority to reaffirm the certification at the time of issuance of the first series of Consolidated Bonds for purposes which include the Facility, provided that there is no substantial adverse change in the economic basis for the certification.

A companion item is being advanced at this meeting of the Board through which authorization is being sought for the HRERP II, in order to continue to support port redevelopment, economic development and other Port Authority capital programs through the provision of funds by the Port Authority for the acquisition and/or improvement of real property suitable for conservation, ecological enhancement, public access or environmental mitigation, within the Port District boundaries of the Hudson-Raritan Estuary, at a total estimated cost of \$60 million (\$30 million for sites located in New York State and \$30 million for sites located in New Jersey).

Certification of the HRERP II as an additional facility of the Port Authority is required by covenants with the holders of Consolidated Bonds (which includes Consolidated Notes) at the time of issuance of the first Consolidated Bonds for purposes which include capital expenditures in connection with the Facility. The HRERP II is to be an additional facility of the Port Authority, and therefore certification is necessary if any portion of the proceeds of Consolidated Bonds, the issuance of which in connection with this Facility is expected in the near future, is to be used for purposes of capital expenditures in connection with the Facility. The Executive Director, the Deputy Executive Director or the Chief Financial Officer would be authorized to reaffirm the certification at the time of issuance of such Consolidated Bonds, provided that there is no substantial adverse change in the economic basis for the certification.

So that the Commissioners, in the exercise of sound business judgment, may act on this certification of opinion, the Chief Financial Officer has reviewed with the Commissioners the projected overall financial standing and condition of the Port Authority and the economics of the Facility on the basis of the issuance of Consolidated Bonds for certain capital expenditures for the Facility.

It is the Chief Financial Officer's opinion that, subject to reaffirmation of this opinion at the time of issuance of the first Consolidated Bonds for purposes which include capital expenditures for the Facility, the application of any portion of the proceeds of such series of Consolidated Bonds in connection with the Facility will not, during the periods 2014 through 2043, reflecting the traditional 30-year term of long-term Consolidated Bonds, and 2014 through 2023, the ensuing ten-year period associated with Consolidated Bonds, including Consolidated Notes, with a maturity of less than ten years, in light of the Port Authority's estimated expenditures in connection with the Facility and the total anticipated revenues and expenses of the Port Authority during those periods, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds.

The Chief Financial Officer's opinion incorporated anticipated results for the Port Authority for the period 2014-2023 and schedules showing presently anticipated cash flows for the Facility, which did not include the receipt of revenues from the Facility by the Port Authority, and anticipated revenues and expenses of the Port Authority. The opinion was based upon these forecasts and other conditions existing at the present time. The Chief Financial Officer's opinion also indicated that it was not reasonable to forecast accurately beyond the ten-year period. Therefore, her judgment with respect to the financial ability of the Port Authority to continue to maintain net revenues sufficient to pay debt service on its obligations was based upon the continued ability of the Port Authority to function and fulfill its agreements with the holders of its obligations.

In reaching the conclusions set forth in her opinion, the Chief Financial Officer considered the covenants with the holders of Consolidated Bonds and her assumption that the Port Authority will continue to comply with such covenants, including its covenant to establish charges in connection with the Port Authority's facilities to the end that at least sufficient net revenues may be produced therefrom to provide for the debt service on all Consolidated Bonds, including those issued for purposes of capital expenditures in connection with the Facility. The conclusions set forth in the opinion also were based on the Chief Financial Officer's consideration of the present financial condition of the Port Authority and its continued ability to conduct its business affairs, the assumption that the Port Authority's ability to continue to honor such covenants will necessitate increases from time to time in the Port Authority's tolls, fares, fees, rentals and other charges, or reductions in services and associated expenditures, and the assumption set forth in the preceding sentence. As such, it is therefore the judgment of the Chief Financial Officer that the Port Authority will, at all times during the ensuing 30-year period, continue to maintain sufficient net revenues to pay debt service on all Consolidated Bonds.

The Chief Financial Officer's opinion noted that any forecast is subject to uncertainties. Inevitably, some assumptions will not be realized, and unanticipated events and circumstances may occur. Therefore, estimates of future revenues and expenses constitute present estimates and statements of expectation, which may or may not be fulfilled in the future. Additionally, there are likely differences between the forecasts underlying the opinion and actual results, and those differences may be material. However, the Chief Financial Officer's opinion and these estimates were based in part on information supplied by the Comptroller, the Director of Management and Budget, the Chief, Real Estate and Development, and the Director of the Office of Environmental and Energy Programs, which information the Chief Financial Officer believed to be accurate.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that certification is hereby made as of April 23, 2014, that, in the opinion of The Port Authority of New York and New Jersey, the issuance of Consolidated Bonds (which includes Consolidated Notes) for purposes which include capital expenditures in connection with the Hudson-Raritan Estuary Resources Program II (the Facility) will not, during the periods 2014 through 2043 and 2014 through 2023, in light of the Port Authority's estimated expenses in connection with the Facility, and the total anticipated revenues and expenses of the Port Authority

during those periods, materially impair the sound credit standing of the Port Authority or the investment status of Consolidated Bonds or the ability of the Port Authority to fulfill its commitments, whether statutory or contractual or reasonably incidental thereto, including its undertakings to the holders of Consolidated Bonds; and it is further

RESOLVED, that the Executive Director, Deputy Executive Director or the Chief Financial Officer be and each hereby is authorized to reaffirm said certification on behalf of the Port Authority at the time of issuance of the first series of Consolidated Bonds (which includes Consolidated Notes) for purposes which include capital expenditures in connection with the Facility, provided that there is no substantial adverse change in the economic basis for said certification, in which event said certification shall remain in effect as the opinion of the Port Authority at the time of such issuance.

WORLD TRADE CENTER SITE – AUTHORIZATION FOR VEHICULAR SECURITY CENTER OPERATIONS – AWARD OF CONTRACT

It was recommended that the Board authorize the Executive Director to: (1) award a contract to Michael Stapleton Associates (d/b/a MSA Security) for the management of vehicle logistics and the operation of specialized screening equipment at the World Trade Center (WTC) Vehicular Security Center (VSC) for an initial term of six and one-half years, at an estimated cost of \$48.35 million; (2) exercise up to three, one-year renewal options for the foregoing contract, at an estimated total cost of \$26 million; and (3) order extra work, if necessary, of up to six percent of the base amount of the foregoing contract and option periods, if exercised.

As elements of the WTC site transition from construction to operations, it is necessary to ensure that appropriate security measures are in place to provide the highest level of safety for visitors, tenants and commuters. These measures include the appropriate and efficient operation of screening equipment at the WTC VSC, which would serve as the sole entry point to permit authorized commercial vehicles to enter the underground vehicular roadway network at the WTC site.

The WTC VSC is a one-of-its-kind facility that is vital to the security and business needs of the WTC site. To manage the anticipated traffic flow in accordance with established security standards, the WTC VSC operation will require that all vehicles be scheduled, authenticated and screened prior to being permitted to enter the WTC site. Operation of the WTC VSC will require substantial training in both vehicle processing and screening, to familiarize staff with the equipment and screening processes. The work under the proposed contract would be performed by trained/certified employees of MSA Security, many of whom would be combat veterans of the United States military who are familiar with security screening operations.

Under the proposed contract, MSA Security would continue to perform the services defined in its existing contract with the Port Authority, which is scheduled to expire on June 30, 2014.

Pursuant to the terms of the proposed contract, MSA Security would provide all training, labor, supervision, equipment, materials, sample/example screening library and supplies necessary to operate the security screening equipment in accordance with the manufacturer's specifications, as well as VSC traffic logistics, including management of screening lanes.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado and Schuber voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) award a contract to Michael Stapleton Associates (d/b/a MSA Security) for the management of vehicle logistics and operation of specialized screening equipment at the World Trade Center Vehicular Security Center for an initial term of six and one-half years, at an estimated cost of \$48.35 million; (2) exercise up to three, one-year renewal options for the foregoing contract, at an estimated total cost of \$26 million; and (3) order extra work, if necessary, of up to six percent of the base amount of the foregoing contract and option periods, if exercised; and it is further

RESOLVED, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

MINIMUM WAGE POLICY AND GUIDELINES FOR NON-TRADE LABOR SERVICE CONTRACTS – ALL FACILITIES

The wage and benefit provisions in what has come to be known as “non-trade labor service contracts” have been a topic of discussion with the Board from time to time over the years to ensure that these provisions continue to reflect Port Authority contracting policy, including the payment of fair wages and benefits under contracts procured by the Port Authority. In the 1980’s, as the Port Authority outsourced various services, and to achieve a consistent cost effective approach to these contracts, the Port Authority established minimum average wage requirements for contractors’ employees performing under certain Port Authority contracts, including non-trade labor service contracts. The most recent manifestation of this dialogue resulted in the Board’s adoption of the September 20, 2007 wage and benefits policy for certain non-trade labor service contracts, to provide benchmarks for the inclusion of affordable health care in such contracts.

It has been reported that governmental entities, including airports, which have adopted wage standards with minimum compensation levels for non-trade labor service contracts have reduced employee turnover and increased employee performance. The public interest is further served when non-trade labor service contracts provide a stable workforce to perform such services through workers who have been at the particular facilities for substantial periods of time and have acquired valuable skills and knowledge of the facility environment and its particular needs. This is particularly true at the Port Authority’s major airport facilities when as many airport workers as possible have been screened to meet federal security requirements and are familiar with, and accustomed to complying with, airport security procedures. Airport workers who are more familiar with security requirements are more likely to be vested in and knowledgeable of the security processes and thus are better able to respond to airport emergencies. Overall, the benefits for such wage standards include the promotion of higher levels of safety and security in the working environment as well as enhanced quality of service for the traveling public.

In order to further the Port Authority’s commitment to fair wages and benefits for non-trade labor service contract workers at Port Authority’s facilities and to enhance safety, security and quality of customer service at those facilities, it was recommended that a policy be established providing for non-trade labor service contractors doing businesses at all Port Authority facilities to pay their workers an appropriate minimum wage. It was also recommended that the Executive Director be authorized to establish minimum wage guidelines to implement such policy at Port Authority facilities, with such guidelines to generally include (i) the types of non-trade labor services to be covered; (ii) the hourly wage paid to the lowest paid workers in such covered categories, with a goal of implementing an increase in the pay for low wage covered workers (those making \$8 to \$9 an hour or lower) by at least \$1 per hour as soon as practicable in 2014 and an increase to \$10.10 per hour in 2015; (iii) an appropriate cost of living increase for the established wage levels; (iv) a plan for the development of enhanced wages and benefits, including health benefits for covered workers and (v) a paid holiday for Martin Luther King, Jr. Day for workers in covered categories.

In order to achieve compliance with the policy and the guidelines to be established at Port Authority facilities including the airports, it was also recommended that the Executive Director be authorized to amend applicable facility rules, regulations, tariffs or like mechanisms, and to include appropriate provisions in new or amended agreements, permits and contracts requiring

that such non-trade labor service contractors, as a condition for doing business at Port Authority facilities, pay their covered workers, the minimum wage levels set forth in the policy and guidelines.

In that there is a need to immediately implement a minimum wage policy to provide an appropriate level of compensation for non-trade labor service contract workers in positions impacting passenger safety, security and well being at the major airports operated by the Port Authority, it was recommended that the Executive Director initially move forward with the implementation of this policy at LaGuardia Airport, John F. Kennedy International Airport and Newark Liberty International Airport.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lipper, Lynford, Moerdler, Pocino, Rechler, Rosado, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that it is the policy of The Port Authority of New York and New Jersey that non-trade labor service contract workers of those entities doing business at Port Authority facilities receive an appropriate minimum wage; and it is further

RESOLVED, that the Executive Director is authorized to establish guidelines to implement such policy; and it is further,

RESOLVED, that the form of all documents in connection with the foregoing, as deemed appropriate by the General Counsel, shall be subject to the approval of the General Counsel or his authorized representative.

MEMORIAL TRIBUTE TO THE HONORABLE BASIL A. PATERSON

The following memorial tribute was offered by Commissioner Moerdler on behalf of the Board in recognition of the recent passing of former Commissioner Basil A. Paterson.

It is with profound sadness that we mark the recent passing of our colleague, Basil A. Paterson, on April 16, 2014. Commissioner Paterson epitomized the finest traditions in public service, having dedicated a lifetime to serving the people of New York in a variety of roles throughout his career. He brought to this service the keen analytic mind of an attorney with a practical approach to getting the job done, and his wisdom and calm approach to problem solving will be sorely missed. Commissioner Paterson had been a long-term member of the Port Authority family, having served a term of office from July 1989 to April 1995, and having returned to the Board in June 2013. Commissioner Moerdler then called for a moment of silence to honor Commissioner Paterson's memory.

Whereupon, the meeting was adjourned.

Secretary